Public Service Loan Forgiveness

Jeff Turnbull

University of Missouri School of Law

What is Public Service Loan Forgiveness?

- The PSLF Program was established to encourage individuals to enter and continue in full-time employment in lower-paying but vitally important public service jobs.

- The program allows eligible borrowers to cancel the remaining balance of their Direct loans after serving full time at a public service organization for at least 10 years

PSLF Qualifications

- Direct Loans only
  - FFEL or Perkins loans must be consolidated into a DL consolidation. www.loanconsolidation.ed.gov

    - Only payment made on the DL consolidation loan count toward qualifying payments
    - Parent Plus loans do not qualify for PSLF
    - Must be employed full-time in a qualifying occupation or qualifying employer

PSLF Qualifications
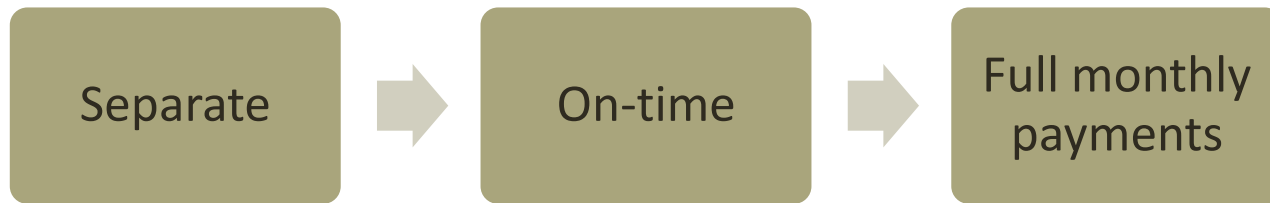
Full-time is defined as:

- ✓ Annual average of at least 30 hours/week
- ✓ An average of 30 hours/week for eight months if contractual employee
- ✓ The number of hours the ER considers full-time

PSLF Qualifying Payments

- 120 monthly payments made after October 1, 2007
  - ✓ Payments made prior to 10/1/2007 do not qualify

- Payments must be made within 15 days of due date

- Must be employed full-time with public service ER at the time the 120 payments are made and at the time they qualify for loan forgiveness
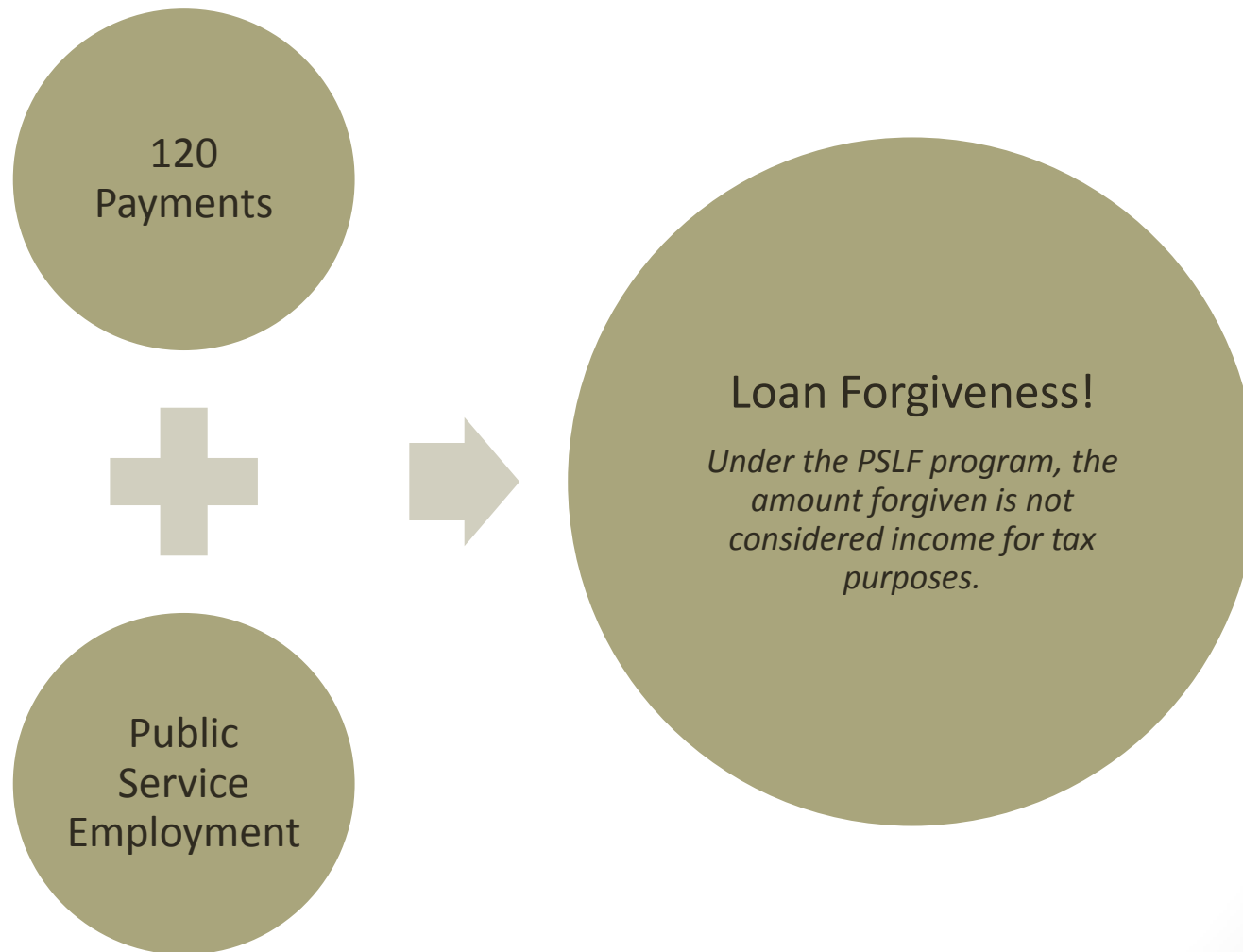
PSLF Qualifying Payments

Required monthly payments do not have to be consecutive, but must be:

Separate	→	On-time	→	Full monthly payments

Paying more than the required monthly amount does not count as additional qualifying payment.

Loan Forgiveness

120 Payments

Public Service Employment

Loan Forgiveness!

Under the PSLF program, the amount forgiven is not considered income for tax purposes.

If I attended law school before 2007 can I still qualify for PSLF?

YES

- However, eligible employment before October 1, 2007 will not be recognized.

Note: this is a Direct Loan program, FFEL borrowers eligible employment is recognized only once the borrower becomes a DL borrower. (consolidation)

What is Considered Public Service?

- Most charitable non-profit organizations, federal, state, or local government agencies

  - ✓ Specific job positions do not matter
  - ✓ Does not include staff of for-profit contractors working for public service organizations

What is Considered Public Service?

- Non-profit organizations that have received a 501(c)(3) designation from the IRS
  - ✓ www.irs.gov/app/pub-78

American Red Cross

American Cancer Society

Big Brother
Big Sisters of America

What is Considered Public Service?

- Federal, state, local, or tribal government organizations, agencies, or entitities

Public Defender

VA Hospital

Juvenile Corrections

What is Considered Public Service?

Public child or family service agencies

- County child protective services
- Family services

Private organizations that provide public services

- Emergency management, military service, public safety

Law enforcement, public interest law services

- Equal Justice Works or Legal Aid
- State patrol office

What is Considered Public Service?

- Public health, public education, early childhood education, public library services

Public Colleges

Children's Hospital

Head Start Program

Most private schools, colleges, and universities are non-profit and are qualifying employers for the PSLF program.

What Is Not Considered Public Service?

- Businesses organized for profit, labor unions, or partisan political organizations

- Religious organizations

What is my role in the application process for forgiveness?

- In order to determine if your employee is eligible for PSLF, you can help to certify the employment status of the employee that did/does work for your organization.

- Your current or former employee may ask you to complete the employer Section (3) of the Employment Certification Form (ECF).

www.myfedloan.org

www.myfedloan.org

FAQ   Expand All ▶

What is the PSLF Program? ▶

What Actions Can I Take Now? ▶

I Currently Make Payments to Another Company. How Will You Track My Payments? ▶

How Often Should My Employer and I Complete the Employment Certification Form? ▶

How Often Can I View My Updated Qualifying Payment Count? ▶

View additional details of the Public Service Loan Forgiveness Program at the Federal Student Aid Website.

Fact Sheet | Additional Q&As

DOWNLOAD EMPLOYMENT CERTIFICATION FORM ▶

? Still Have Questions?
We are here to help you with every step of the process. Contact one of our Public Service Loan Forgiveness specialists at 855-265-4038 for more information.

Things to help you.

- PSLF fact sheet, PSLF Q&A's, Studentaid.ed.gov

Jeff Turnbull

110 Hulston Hall

University of Missouri School of Law

573-882-1383

turnbullj@missouri.edu